

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5723-05  
Bill No.: Truly Agreed To and Finally Passed HCS for HB 1882  
Subject: Retirement - Local Government; Retirement - State; Retirement Systems and Benefits - General  
Type: Original  
Date: June 6, 2014

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Bill Summary: This proposal changes the laws regarding state and local government retirement systems.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Local Government</b>	<b>(Unknown up to \$110,417)</b>	<b>(Unknown up to \$112,500)</b>	<b>(Unknown up to \$112,500)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Sheriffs' Retirement System** assume the current proposal would not fiscally impact their agency.

Officials from the **Joint Committee on Public Retirement (JCP)** state that this legislation would not create a substantial proposed change in future plan benefits as defined in Section 105.660(10).

Officials from the **Missouri State Employees Retirement System (MOSERS)** state that this proposal is estimated to have no material fiscal impact on the retirement system.

Officials from the **Missouri Local Government Employees Retirement System (LAGERS)** assume that adding disclosures may likely increase the cost per supplemental valuation from approximately \$100 per each to comply with section 105.665.2(7), RSMo. This additional disclosure cost is expected to be approximately \$12,500 per year which would be borne by LAGERS local government employers.

Officials from the **Public School and Education Employees Retirement System** state that this proposal will have no substantial fiscal or operational impact on their agency.

Officials from the **MoDOT and Patrol Employees Retirement System (MPERS)** state that the fiscal impact of the proposal is difficult to ascertain. At this time, it is unknown what the increased cost of providing the additional information on fiscal note valuations will be.

Officials from the **County Employees Retirement Fund (CERF)** state that the proposal will generate additional costs for the fund. Such costs will come from consultant fees, board member travel, meeting registration fees, staff time for record keeping, staff time for board member attestations, addition meeting and interviews for women and minority money managers and addition staff time to report annually to Joint Committee on Public Retirement and the Governor's Minority Advocacy Commission.

**Oversight** notes that JCP does not consider the proposal to be a substantial proposed change in future plan benefits. This means that there would not be a change in state contributions to MPERS or to MOSERS.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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#### **LOCAL POLITICAL SUBDIVISIONS**

##### Costs - CERF

Fees and staff costs	(Unknown less than \$100,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)
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##### Costs - LAGERS

Providing additional information to actuary	<u>(Up to \$10,417)</u>	<u>(Up to \$12,500)</u>	<u>(Up to \$12,500)</u>
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<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>(Unknown up to \$110,417)</u></b>	<b><u>(Unknown up to \$112,500)</u></b>	<b><u>(Unknown up to \$112,500)</u></b>
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#### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

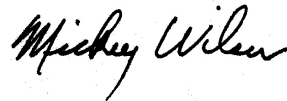
#### FISCAL DESCRIPTION

This proposal would change laws concerning administrative requirements of public employee retirement plans.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri State Employees Retirement System  
Missouri Local Government Employees Retirement System  
Joint Committee on Public Retirement  
Sheriffs' Retirement System  
County Employees Retirement Fund  
MoDOT and Patrol Employees Retirement System  
Public School and Education Employees Retirement System



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June 6, 2014

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June 6, 2014